GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:3754
ANSWERED ON:13.12.2002
INDUSTRIAL RECESSION
THAAWAR CHAND GEHLOT

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether industrial recession has been prevailing in the country for a long period;

(b) if so, since when this situation is prevailing and the root cause thereof;

(c) the efforts made by the Government in regard to development of industries, to rejuvenate the sick industries and to provide loans to them during 1998 to October 2002 ;

(d) the extent of which the recessionary condition has improved as a result thereof; and

(e) the number of licences provided under Industrial Development and Regulation Act, 1951 during the said period, state-wise and year-wise?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. RAMAN SINGH)

(a) and (b) : An economy is said to be in recession if there is negative growth in GDP for two consecutive quarters. There is no recession in the economy and industry. The Indian industry has been registering positive growth rates during the past decade.

(c): The Government has taken following measures for the development of industries:

- A bill has been introduced to repeal Sick Industrial Companies (special Provision) Act, 1985. The bill proposes an alternative framework for the orderly and timely revival of sick companies.

- The RBI has continued its policy of lower interest rates in its Mid-term review of monetary and credit policy for 2002-03. It has announced series of measures for developing technological and institutional infrastructure of the financial sector and for improving the credit delivery system.

- The RBI has cut Cash Reserve Ratio (CRR) to 4.75 per cent from 5.0 percent, a move that will ease the liquidity position further.

- Kelkar Committee for Direct taxes and for Indirect taxes has recommended reforms, which are expected interalia to reduce transaction costs by 50%.

- The draft Electricity Bill has been introduced in the Parliament for facilitating comprehensive power sector reforms.

- The Union Budget 2002-03 has made allocations towards some of the major schemes, which will boost demand especially in construction, housing, steel, and cement sectors. These schemes include PM`s Gram Sadak Yojana, Infrastructure Equity Fund, Urban Reform Incentive Fund, City Challenge Fund, and Accelerated Power Development Reform Programme.

- Sector-wise strategies to boost production for exports in key sectors, which include engineering/electronic/electrical and allied, textiles, gems & jewellery, chemicals & allied sector have also been announced in the Medium Term Export Strategy for 2002-07.

(d): Does not arise.

(e): With progressive liberalisation the need for licenses has gone down. Year-wise and State-wise break up of Industrial Licenses granted since January 1998 to October 2002 are as below:

	1998	1999	2000	2001	2002(upto October)
Andaman & Nicobar	0	0	0	0	0
Andhra Pradesh	8	6	10	4	7
Arunachal Pradesh	0	0	0	0	0
Assam	0	0	0	0	1
Bihar	1	1	0	1	0
Chhattisgarh	1	0	0	0	1
Chandigarh	0	0	0	0	0
Dadra & Nagar Haveli	1	0	0	2	1

Daman & Diu	0	1	0	0	0
Delhi	1	0	2	0	0
Goa	0	0	0	0	0
Gujarat	4	6	4	2	3
Haryana	3	5	15	8	1
Himachal Pradesh	0	0	0	0	0
Jharkhand	0	0	1	0	0
Jammu & Kashmir	0	0	0	0	0
Karnataka	4	3	6	2	2
Kerala	1	3	0	1	0
Lakshdweep	0	0	0	0	0
Madhya Pradesh	3	1	0	0	1
Maharashtra	5	9	9	6	2
Manipur	0	0	0	0	0
Meghalaya	0	0	0	0	0
Mizoram	0	0	0	0	0
Nagaland	0	0	0	0	0
Orissa	0	0	0	0	0
Pondicherry	0	0	1	0	0
Punjab	3	10	6	2	4
Rajasthan	0	1	1	1	0
Sikkim	0	0	0	0	0
Tripura	0	0	0	0	0
Tamil Nadu	21	21	29	19	10
Uttar Pradesh	5	10	12	3	0
Uttaranchal	1	0	0	0	0
West Bengal	0	2	2	0	2
Location in more than one state	0	2	3	0	2
Total	62	81	101	51	37